LAND BASED ECOTOURISM — OVERVIEW

Prepared for:

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BUILDING BLOCKS FOR ECONOMIC DEVELOPMENT & ANALYSIS

PREFACE

PURPOSE

Building Blocks have been conceived and developed by the Economic Development Branch of the Ministry of Sustainable Resource Management, under the guidance of Nancy South, Manager Economic Analysis, as an analytical tool that supports British Columbia coastal and land and resource use planning and decision-making and economic development initiatives. The Blocks contain concise business and sector information for a broad range of resource-based business types in BC. At this point, there are more than 30 Blocks either complete or in draft form. Several more Blocks have been identified as high priority by planning tables and other client groups. Additional Building Blocks will be developed over time, and some Blocks may be updated. For the most current Building Blocks, please see the Ministry of Sustainable Resource Management website, at: http://srmwww.gov.bc.ca/rmd/ecdev/

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BENEFITS

Building Blocks are expected to provide the following general benefits:

- Increase efficiency and more informed decision-making by providing readily accessible, credible information to planning and economic development processes;
- Improve the consistency of economic information across planning areas;
- Support economic analysis and decision-making that occurs outside formal coastal and land use planning processes; and
- Provide linkages between economic analysis and other social and environmental analytical tools (through identifying resource requirements to support economic activities and general compatibilities with other sectors and values).

LIMITATIONS

Every effort has been made to ensure that the information contained in Building Blocks is accurate and consistent. Approved, credible data sources are the foundation for Building Blocks. All Blocks were reviewed by sponsoring agencies and other experts. However, users are cautioned that information is used at their own risk, and that the authors and sponsors are not liable for any damages. Any conclusions or interpretations by the authors are not intended to represent government policy. Also, note that Building Blocks do not provide site specific information nor do they consider requirements for sustainability (social, community, environmental).

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RECOMMENDED REFERENCE/CITATION

BC Ministry of Sustainable Resource Management, 2003, Building Blocks for Economic Development and Analysis, *[Title of Sector]*. http://srmwww.gov.bc.ca/rmd/ecdev/

Acknowledgements and Disclaimer

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The purpose of this Building Block is to assist in estimating the socio-economic impacts of the ecotourism sector, and to serve as an analytical tool that will assist in supporting coastal and land use decision-making. While the consultants believe that the data contained herein is reasonable and credible, it should be applied only in the land use planning context and should not be used for any other purposes, such as the preparation of business plan projections.

In preparing each Building Block, the consultants have relied substantially on data, estimates and forecasts contained in various publications and on interviews with individual operators. The information was gathered under time and resource constraints and further refinement of the assumptions and estimates would no doubt be possible given more time and resources.

1.0 BACKGROUND AND DEFINITION OF ECOTOURISM

The Ministry of Sustainable Resource Management (MSRM) has commissioned *Stuart Gale & Associates* and *Pierce Lefebvre Consulting* to prepare a profile of the nature-based tourism / ecotourism sector in B.C. Referred to as a Building Block by MSRM, this profile will serve as an analytical tool that will support coastal and land use decision-making through economic analysis and economic development planning. The "Building Block" will provide a snapshot of an average business / operation with potential application anywhere in the province.

1.1 Definition of Ecotourism

Nature-based tourism / ecotourism is defined as travel to relatively undisturbed areas with the specific objective of admiring, studying and enjoying the scenery and its wild plants and animals as well as existing cultural features found in the area. Ecotourism may provide specific opportunities for learning and discovery, and in some definitions, includes a social and environmental ethic (i.e., protects and enhances the natural and human environment where ecotourism takes place).

Ecotourism travellers tend to be highly focused in their interests and pursue them with high levels of physical and mental rigor. They tend to combine physical activities such as hiking, trekking, cycling, and kayaking with a desire to learn about the natural and cultural environment.

For this study, ecotourism excludes outdoor activities that are primarily adventure based (i.e., outdoor activities that are primarily directed toward a physical activity providing a personal sense of thrill or exhilaration). Examples include downhill skiing, cross country skiing, heliskiing, catskiing, snowmobiling, windsurfing, surfing, mountaineering, ATV touring, hang gliding/parasailing, scuba diving, caving, etc.

Cultural activities are not considered, as they are being addressed in a separate building block. Hunting, fishing, guide outfitting and adventure lodges/hut-to-hut activities are not considered as they are also being addressed through separate building blocks.

Ecotourism activities have been sorted into two broad categories:

1. Marine Ecotourism
2. Land Based Ecotourism

Marine Ecotourism includes activities that are conducted in a marine setting and involve marine resources or terrestrial resources that occur at that marine/terrestrial interface. Aside from roofed facilities (lodges) these activities are provided through the following: marine cruising including sailing, yacht and power cruising; and sea kayaking tours. Marine ecotourism forms the basis for a separate building block and is not discussed in detail in this study.

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Land Based Ecotourism includes activities that are conducted primarily on the land (including lakes and rivers) terrestrial resources. Activities may include experiencing, viewing, education/interpretation or photography of wildlife, plants and other aspects of terrestrial environments. Aside from roofed facilities (lodges) these activities are provided through the following types of businesses:

- Bicycle Touring/Mountain Biking
- Hiking/Backpacking/Trekking
- Horseback Trail Riding
- River Rafting, Canoeing and Kayaking
- Winter Tourism (Back Country /Tour Skiing, Dog Sledding, Snow Shoeing)

For this study, each of the above listed activities forms the focus of a separate Building Block.

While this study treats each activity as a separate unit, many commercial operators providing outdoor experiences often combine various outdoor activities in a single tour, or offer a variety of products. For example, one of the bicycle touring companies also offers river kayaking and canoeing tours. It is also quite common for adventure lodges to offer a wide variety of tours, often joint-venturing with commercial operators specializing in a specific type of tour. As noted earlier, however, lodges form the basis of a separate building block and are not covered in this analysis.

2.0 OVERVIEW OF ECOTOURISM SECTOR

This section summarizes data on the size of the ecotourism sector, the cost of developing trails and government regulations pertaining to the use of crown lands and parks by commercial operators.

2.1 Size of Ecotourism Sector

Tourism BC reports that in 2000, there were 1,114 adventure tourism-related business establishments operating in B.C., representing 6.4% of all tourism-related businesses in B.C. (food and beverage account for 55%, accommodation for 11%, and transportation and attractions account for the remaining 28%).[1]

Tourism BC does not provide a breakdown of operators by type of business. In 1996, however, Tourism BC and the Council of Tourism Associations of B.C. prepared an overview of the tourism sector[2] and identified 873 companies specializing in outdoor activities:

- 344 or 39% are primarily related to marine related activities (i.e. marine cruising, scuba diving, marine wildlife viewing and sea kayaking);
- 255 or 29% are guide outfitters; and

[1] Source: prepared by BC Stats as reported in: Tourism British Columbia, *The Value of Tourism*, 2002.
[2] Price Waterhouse and ARA Consulting Group Inc., *Tourism Industry Product Overview*, Council of Tourism Associations of B.C. and Tourism BC, June 1996.

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- 274 or 31% are commercial operators that offer a variety of adventure tours including river rafting, hiking, biking, hut-to-hut and trail riding.

The 1996 breakdown of operators is listed following, along with the 1994 estimated revenues reported in that same 1996 study.

Table 1: Number and Revenues of Companies Which Specialize in Outdoor Activities

	1996 Number of Operators	1994 Estimate of Product Revenues ($ Millions)	% of Total Revenues
Marine Related			
Power/ Sail Cruising	168	$34	
Wildlife Viewing	50	$9	
Scuba Diving	69	$12	
Sea Kayaking	57	$9	
Sub-Total	**344**	**$64**	**8%**
Land Related (including lakes and rivers):			
River Rafting	50	$11	
Trail Riding	52	$9	
Hut-to-Hut	23	$6	
Bike/Hike	45	(included in others)	
Guide Outfitters	255	$26	
Others	104	$16	
Sub-Total Land Related	**529**	**$68**	**8%**
TOTAL OUTDOOR PRODUCT OPERATORS	**873**	**$132**	**16%**
Resident Hunting		$125	15%
Outdoor Accommodation		$168	21%
Provincial Parks		$388	48%
TOTAL OUTDOOR PRODUCT		**$813**	**100%**

Notes:

1. Revenues from guide outfitters include $20 million from hunting and $6 million from non-hunting activities.
2. There is double counting to some extent between park revenues and outdoor operators as some operators provide activities in provincial parks.

Source: Price Waterhouse and ARA Consulting Group Inc., *Tourism Industry Product Overview*, Council of Tourism Associations of B.C. and Tourism BC, June 1996.

Table 1 shows that in 1994, outdoor product operators in B.C. generated $132 million in total revenues. This accounts for an estimated 16% of total revenues estimated from the B.C. outdoor product when resident hunting revenues, outdoor accommodation and provincial park revenues are added to the total. The information is very outdated, however, with much of the data used by the consultants being from studies published in the late 1980s and early 1990s.

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Tourism BC is conducting a major research project designed to measure the economic impact on B.C. of nature-based tourism operators and to initiate on-going tracking of the nature-based tourism industry in British Columbia. Phase 1 of the project aims to measure the size of the industry in terms of revenues and employment using a brief telephone survey and results are expected by Spring 2003. Phase 2 of the project will aim to provide quarterly updates of the economic impact information and will be collected through a detailed survey of representative operators sometime in late 2003/2004. When complete, the Tourism BC results will be incorporated into this Land Based Ecotourism Building Block.

2.2 Government Regulations

Crown lands in B.C. have been used for commercial recreation for more than 100 years with no special permission to use the lands except in a few sectors such as guided hunting, fishing and helicopter skiing operations, and in cases where specific operators required the extensive use of one area for the establishment of a Base Camp, hut or lodge. In 1998, the B.C. government introduced a commercial recreation management program requiring operators to acquire licenses for the use of Crown lands and public trails.

Use of Provincial Parks

- Tourism operators using Provincial Parks require Park Use Permits (PUP).

Trail Development and Base Camp

- Operators who wish to create or maintain private trails and overnight campsites on Crown land and/or conduct trail riding tours on such trails on a commercial basis require a License of Occupation for Long Term use of an Extensive Area from Land and Water BC. Tenure holders can apply for a Licence of Occupation for each area of Crown land they plan to use for more than 14 days in a six month period. Annual fees for a base camp are $500, plus $100 per site for satellite sites (excluding an application fee of $107 per operator). Annual fees may be set higher depending on the market value of the land.
- Licenses are granted for a maximum period of 10 years and issuance of a license is subject to the completion of a long term management plan with performance requirements and a minimum of $ 1 million third party liability insurance.
- A License of Occupation grants holders the right to occupy a site over any other commercial users, but recreational users continue to have over-riding priority on any site, licensed or not.
- In some cases, tenure holders may be allowed to build improvements on specific sites, and they may be granted exclusive rights to those improvements. Also, leases can be granted where Crown land is required to establish a facility (e.g., lodge) to support an operation. Leases may also be granted if overlapping uses are not appropriate.

Use of Public Trails and Infrequent Trail Riding Tours

- The 1998 B.C. Commercial Recreation policy requires the payment of annual fees for using public trails and crown lands for commercial purposes for more than 14 days per year. Fees for commercial recreation tenures are $100 for non-mechanized uses such as bicycling touring and $1,000 for mechanized use. In addition, fees ranging from $1 to $6

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per client day apply depending on the use. Fees for non-mechanized uses are set at $1 per client day with an annual minimum of $500 per operator.

- The B.C. Government is working with industry to implement the B.C. Commercial Recreation Policy and to encourage operators offering fee-for-service activities on crown land to register tenures.
- Operators who conduct infrequent trail riding tours on Crown land require a temporary permit for Short Term Low Impact Use from Land and Water BC.
- If an operator plans to use public trails, then consent would be required from the responsible agency (e.g. Ministry of Forests).
- Where Crown land is required for the purposes of grazing livestock, then a range lease will be required from the Ministry of Forests.

Other Regulations

- There are other regulations that pertain to individual activities and these are discussed in the individual Building Blocks.

2.3 Cost of Developing Trails

The cost of developing trails depends on the terrain, signage, infrastructure requirements such as bridges, and user requirements. For example, trails for mountain biking or skiing are typically wider than hiking trails.

Cost estimates for trails range between $0.35 and $60 per metre of trail:

- Hiking trails are in the lower range of the spectrum ranging from a low of approximately $1.00 per metre of trail, up to approximately $6.00 per metre of trail.
- Biking trails are estimated at approximately $8.00 per metre.
- The building of snowmobiling and skiing trails typically involves the construction of warming huts, toilets, bridges and other infrastructure, which increase the costs significantly. Excluding infrastructure requirements, trail development costs can be as low as $0.35 per metre if existing trails can be set along power lines or pipe lines. A warming hut may cost approximately $20,000 and a simple bridge may cost $10,000.

The following summarizes the findings from four Forest Renewal BC funded reports that involved developing cost estimates for trail development:

- Hillcrest Recreation Consulting Inc., *Hazelton and Area Trails Feasibility Study*, Village of Hazelton, 1997.

  This feasibility study for the Village of Hazelton assesses the viability of developing trails to provide four-season access to the surrounding forests. The total cost for the proposed trail network is estimated at $461,330 for approximately 14 km of trails, or $33 per metre of trail. Average costs range between $15 and $54 per metre.

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- Heath J. Krevesky Consulting, Bamfield Huu-ay-aht Community Forest Business Potential Assessment, Bamfield Huu-ay-aht Community Forest Society and Alberni-Clayoquot Economic Development Commission, 2001.

  A report for the Bamfield Huu-ay-aht Community Forest Society and Alberni-Clayoquot Economic Development Commission assesses the trail development costs associated with the development of a 5,000 metre mountain biking trail that could accommodate a biking race. The cost of developing the trail is estimated at $40,000 ($8.00 per metre for 5,000 metres). Other costs associated with trail engineering, signage, kiosk, parking and picnic area add another $26,000.

  That same report also shows cost estimates for developing hiking trails. Development costs range between $3 and $6 per metre of hiking trail depending on the topography and the number of structures such as bridges or boardwalks to be constructed. The report suggests that a 10 km hiking trail network would cost $50,000 for trail development and another $50,000 for a kiosk, parking lot, picnic area, signage and canopy platform.

- Westcoast CED Consulting Ltd., *Burton Hiking Trails – A Report*, Nakusp & Area Development Board, 1998.

  This project reviews the potential for developing hiking trails in the Arrow Lakes District on behalf of the Nakusp and Area Development Board. The research focuses on hiking trails that access alpine areas. Trails for mountain bikes, snowmobiles, all terrain vehicles (ATV) and horses are not investigated. The costs for developing 3 hiking trails average $2.18 per metre of trail ($84,000 for 38.6 km). The costs of building each trail are as follows: (1) Burton Trail: $34,500 for 9.5 km of trails; (2) Woden Trail: $26,500 for 7.0 km of trails; (3) Londonderry/ Caribou Trail: $8,500 for 10.5 km of trails; and Snow/Londonderry Trail: $14,500 for 11.6 km of trails.

- KPMG, *Forest Based Economic Development* – Opportunity for the District of Mackenzie, District of Mackenzie, 1998.

  This analysis investigates potential opportunities for forest-based activities for the District of Mackenzie, including forest related recreation and tourism opportunities. The report suggests that development costs for snowmobiling trails range between $5,000 per km for developing new trails and $350 per km for grooming or upgrading existing trails and for building trails along power lines and pipe lines. There may also be additional costs for bridges and warming huts.

  For example, the costs of upgrading the Gagnon trail includes:

Warming Hut	$20,000
Bridges (3)	$30,000
Grooming	$35,000 (100 km @ $350 per km for grooming existing trails)
Development	$50,000 (10 km of new trail at $5,000 per km)
Total	$135,000

  The report also estimates the costs of developing a 200 km snowmobiling trail that would be mainly along power lines and pipe lines at $100,000 (average cost of $0.50 per metre). The costs include $70,000 for developing the trail (an average of $0.35 per metre), and the costs of building 3 bridges at $10,000 each.

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This document is the overview of Land-Based Ecotourism which is following by Building Blocks:

- **Bicycle Touring/Mountain Biking**
- **Hiking/Backpacking/Trekking**
- **Horseback Trail Riding**
- **River Rafting, Canoeing and Kayaking**
- **Winter Tourism (Back Country/Tour Skiing, Dog Sledding, Snow Shoeing)**

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